

Message Text

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PAGE 01 BRASIL 05670 091147Z
ACTION OPIC-06

INFO OCT-01 ARA-14 ISO-00 EB-07 /028 W
-----124256 091704Z /47

R 082210Z JUL 77
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 2670

UNCLAS BRASILIA 5670

E.O. 11652: N/A
TAGS: EINV, OPIC, BR
SUBJECT: OPIC: HANNA MINING CO. (512-73-255)

REF: STATE 147887

1. SINCE RECEIPT OF REF, ECONOFF HAS DISCUSSED SUBJECT CASE WITH HANNA'S LAWYER IN RIO, GABRIEL FERREIRA, CENTRAL BANK CONTACT, ABELARDO REGO, AND "ALCOMINAS" TREASURER, J.C. DOURADO JORGE. FERREIRA ALSO MAILED COPIES OF PERTINENT CORRESPONDENCE TO ECONOFF. BASED ON ABOVE CONVERSATIONS AND MATERIAL, FOLLOWING IS PRESENT STATUS OF FGA REQUESTS:

2. CENTRAL BANK/FIRCE OFFICE IN RIO ISSUED "CERTIFICADO DE REGISTRO" NO. 360/00226-03257-0 (12-23-76) WHICH SUPERSEDED NO. 360/00226-03059-0 (10-22-76) WHICH CITED IN PARAGRAPH ONE REF.PARAGRAPH 8 OF NO. 03257 ALSO READS "OF THE TOTAL REGISTERED (US\$6,545,133.94), THE SUM OF US\$1,403,484.19 HAS RECEIVED THE AGREEMENT OF THIS BANK FOR THE CONCESSION BY OPIC, OR OTHER COMPETENT AGENCY OF THE US GOVERNMENT, OF THE GUARANTEES STIPULATED IN THE US-BRAZIL AGREEMENT ON THE GUARANTEE OF INVESTMENTS, SIGNED FEB. 6, 1965." ACCORDING TO FERREIRA, HANNA'S PROBLEM IS NOT THAT THIS APPROVAL WAS ISSUED IN THE FORM OF A "CERTIFICADO DE REGISTRO" INSTEAD OF A "CERTIFICADO DE AUTORIZACAO",
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BUT THAT THE CENTRAL BANK DID NOT APPROVE THE TOTAL US\$6.5 PLUS MILLION FOR OPIC INSURANCE.

3. CENTRAL BANK (ABELARDO) CONFIRMED ECONOFF'S ASSUMPTION THAT ABOVE "CERTIFICADO" IS STATEMENT OF CENTRAL BANK APPROVAL OF OPIC INSURANCE FOR US\$1.4 PLUS MILLION AS REINVESTMENT, NOT INITIAL

INVESTMENT, OF PROFITS EARNED FROM EARLIER INVESTMENT APPROVED BY BANK. IN APRIL 1977, ABELARDO SENT A LETTER TO ALCOMINAS REQUESTING A CLARIFICATION OF THE SITUATION BUT HAS RECEIVED NO REPLY TO DATE.

4. ACCORDING TO A FERREIRA/JORGE LETTER OF 6/15/77, ABELARDO'S REQUEST FOR FURTHER INFORMATION"ORIGINATED IN THE REQUEST WHICH HANNA MINING CO. SUBMITTED (TO THE CENTRAL BANK) TO INCLUDE ALL ITS CAPITAL INVESTMENTS IN ALCOMINAS UNDER THE US-BRAZIL AGREEMENT ON INVESTMENT GUARANTEES FOR THE PURPOSES OF OPIC INSURANCE."

5. WHEN ECONOFF DISCUSSED SITUATION WITH DOURADO JORGE, HE COULD NOT EXPLAIN IT CLEARLY EITHER AND ONLY SAID THAT IT WAS A "POLITICAL" AS WELL AS A "TECHNICAL" PROBLEM. JORGE SAID HE PLANNED TO COME TO BRASILIA TO DISCUSS THE MATTER WITH THE CENTRAL BANK WITHIN TWO WEEKS AND WOULD COMMUNICATE THE RESULTS TO HANNA MINING CO. ECONOFF OFFERED TO PROVIDE JORGE WHATEVER ASSISTANCE MIGHT BE REQUIRED DURING HIS VISIT.

6. EMBASSY WILL INFORM OPIC OF ANY NEW INFORMATION THAT MAY RESULT FROM JORGE TALKS WITH CENTRAL BANK.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INVESTMENT GUARANTEES, MINING INDUSTRY
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: BRASILIA
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770779/aaaacqti.tel
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SAS ID: 1926707
Secure: OPEN
Status: NATIVE
Subject: OPIC: HANNA MINING CO. (512-73-255)
TAGS: EINV, BR, OPIC, HANNA MINING
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